

Car rentals and collision damage waivers

Will you be renting a car during your next vacation or business trip?

The nature of rental-car liability insurance coverage has confused consumers for many years.

In Wisconsin, rental companies must provide written notice informing customers of their rights and potential liability. Many people already have collision coverage under their own insurance company or credit card company. Buying a collision damage waiver from the rental car company might duplicate that coverage and cost over \$15 a day.

A collision damage waiver is not insurance coverage. It's a guarantee you buy from the car-rental company that it will pay for damages to your rented car. It will not pay for bodily injuries or damages to your personal property.

If an accident occurs, the rental agency must offer two estimates from repair shops regarding any damage claim. Wisconsin law gives renters the right to inspect the unrepaired car within two days after an accident.

In addition, the total liability for any damage to a rental car is limited to the reasonable repair costs or fair market value of the car—whichever is less. The actual towing charges and up to two days of storage costs can also be included. Remember that these laws apply only in Wisconsin.

Protect Yourself

Before renting a car in any state, you should get answers to the following questions:

- Ask your agent if you have liability coverage under your own personal auto

policy and what the deductible is. Check your collision and comprehensive coverage under “non-owned” vehicle coverage.

- What coverage is available when using your credit card? Check with your credit card company to be sure.
- If a collision damage waiver is offered, what is the cost? You may be hesitant to purchase this coverage, but it may save you from the hassles sometimes associated with collecting from insurance or credit card companies.

Regardless of what type of coverage you have—insurance, credit card or collision damage waiver—carefully consider all the terms of the policy. For instance, there is usually no coverage if the

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damage occurs outside the United States or Canada or if an unauthorized driver was in control when the accident occurred.

For more information

For more information or to report problems about car rentals and damage waivers or to check on the number of complaints against a car rental company, contact the Bureau of Consumer Protection at:

(800) 422-7128

FAX: (608) 224-4939

TTY: (608) 224-5058

E-MAIL:

datcphotline@datcp.state.wi.us

WEBSITE:

<http://datcp.state.wi.us/>

